

Attachment 2. Eligible Applicant Documentation

1. The District is a local public agency as provided under the Local Groundwater Management Act of 2000, California Water Code sections 10795-10795.20, authorizing the grant for which the District has applied. The District is a qualifying local public agency in accordance with subdivision (g) of Water Code section 10752 and subdivision (a) of Water Code section 10701 because it was authorized and formed as specified below in paragraph 2 and it provides water service to approximately 171,229 people within its service area in northwest Sacramento County.
2. The District was formed and is authorized to operate under the District Act. The District was formed on February 1, 2002, under the County Water District Law (California Water Code Sections 30000-33901) by the consolidation of Northridge Water District and Arcade Water District. The consolidation was approved and ordered by the Sacramento County Local Agency Formation Commission (LAFCO) under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code Sections 56000-57550). The District is currently governed by a five member Board of Directors elected by voters within the District for staggered, four year terms, every two years. The LAFCo Resolution which formed the Sacramento Suburban Water District can be found in Appendix A.
3. SSWD has the legal authority to enter into a funding agreement with the State of California under sections 3100, 31001, and 31004 of the County Water District Law, Division 12 of the California Water Code, commencing with section 30000, (the "District Act").
4. SSWD does not have any legal agreements among partnering agencies and/or organizations that affect performance of the project and tracking of funds.

Appendix A.

**Resolution Consolidating the Northridge and
Arcade Water Districts forming Sacramento
Suburban Water District**

RESOLUTION NO. LAFC NO. 1237
RESOLUTION OF THE SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION AS CONDUCTING AUTHORITY FOR PROTEST HEARING
FOR THE NORTHRIDGE WATER DISTRICT / ARCADE WATER DISTRICT
CONSOLIDATION

WHEREAS, Northridge Water District and Arcade Water District adopted Resolutions Making Application to the Sacramento Local Agency Formation Commission For Consolidation (the "proposal"), and

WHEREAS, LAFCo's Executive Officer set the proposal for hearing and gave notice pursuant to Government Code section 57025, and

WHEREAS, the protest hearing on the proposal was held by the commission on the date and at the time specified in the notice given, and

WHEREAS, at the protest hearing, prior to the consideration of protests, the Commission's Resolution Making Determinations was summarized, and

WHEREAS, the Commission heard and received oral and written protests, objections, or evidence made, presented or filed, and

WHEREAS, upon the conclusion of the protest hearing the Commission determined the value of the protests made and not withdrawn, and

WHEREAS, the value of the protests made and not withdrawn were not enough to terminate the proceedings and/or to force an election on the matter, and

WHEREAS, LAFCo has evaluated the proposal and found it to be consistent with LAFCo standards, policies and procedures,

NOW THEREFORE, the SACRAMENTO LOCAL AGENCY FORMATION COMMISSION HEREBY RESOLVES AND DETERMINES AS FOLLOWS:

1. The proposed consolidation of Northridge Water District and Arcade Water District is approved subject to the following conditions:
 - a. The effective date of the consolidation shall be December 5, 2001, or as soon as possible thereafter.
 - b. Upon and after the consolidation, the following conditions shall apply to and bind the Board of Directors of the consolidated district:
 - (1) The following contracts, debts and contingent liabilities of the respective districts, although to be assigned to the consolidated district shall, nonetheless, continue to be the exclusive responsibility of the ratepayers

within the respective service areas of Arcade and Northridge until paid in full: (i) all bonds, certificates of participation and similar indebtedness, including any refunding thereof, (ii) any other debt respecting real estate (including office buildings and other structures, pump stations and well sites), exclusive of such other debt respecting transmission and distribution system facilities, easements and rights-of-way, (iii) liability respecting any claims that have not been asserted in writing as of the effective date of the consolidation, and (iv) any contracts, debts or liabilities, contingent or otherwise, specified in essentially parallel resolutions adopted by the Boards of Directors of both districts prior to the effective date of the consolidation; and

- (2) The following assets of the respective districts, although to be assigned to the consolidated district shall, nonetheless, permanently inure to the exclusive benefit of the ratepayers within the respective service areas of Arcade and Northridge: (1) all cash and investments, water sales receivable, and accrued interest receivable as of the effective date of the consolidation, and (2) the equity in real estate (including office buildings and other structures, pump stations and well sites), exclusive of transmission and distribution system facilities, easements and rights-of-way held by the respective districts as of the effective date of the consolidation.
- c. Upon the consolidation and for three years following the effective date of the consolidation and for so long thereafter as the Board of Directors of the consolidated district shall determine, the following conditions shall apply to and bind the Board of Directors of the consolidated district:
- (1) All contracts, debts and liabilities of the respective districts, including contingent liabilities, other than those identified in or pursuant to section 4 (c), although to be assigned to the consolidated district shall, nonetheless, continue to be the exclusive responsibility of the ratepayers within the respective service areas of Arcade and Northridge rather than the consolidated district;
 - (2) Previously-authorized charges, fees, assessments and taxes of Arcade and Northridge, which have been determined by the Boards of Directors of each respective district to properly allocate the costs incurred among its ratepayers, shall continue to be applied within the affected territory of each district, and any changes made to such charges, fees, assessments and taxes shall be governed by the same principles determined by the Board of Directors of each respective district, unless the Board of Directors of the consolidated district specifically determines that different principles shall apply;

- (3) To the maximum extent allowed by law, funds derived from the respective Arcade and Northridge water systems be accounted for separately, so that the ratepayers benefiting from a water system bear the cost of operation, maintenance, repair, replacement, improvement and bonded debt or other debt of that water system;
 - (4) The territory within Arcade as of the effective date of the consolidation shall be designated the "Arcade Service Area" following the consolidation;
 - (5) The territory within Northridge as of the effective date of the consolidation shall be designated the "Northridge Service Area" following the consolidation;
 - (6) The Board of Directors of the consolidated district shall determine from time to time which funds derived from the operation of the Arcade Service Area water system and the Northridge Service Area water system shall be used to pay the cost of administration of the consolidated district, and other costs of activities of the consolidated district that benefit the consolidated district as a whole; and
 - (7) All previously-authorized improvement districts within Northridge shall continue in existence within the Northridge Service Area following consolidation, except as they may be modified from time to time by the Board of Directors of the consolidated district.
- d. Subject to the foregoing, all assets, revenues, funds on deposit, rights and liabilities under contracts, liabilities for payment of principal and interest on contractual obligations for real property, furnishings and equipment, operating expenses, supplies, licenses and permits, and any contingent liabilities for existing civil litigation shall accrue to the consolidated district.
 - e. Dewight F. Kramer, Sr., the current General Manager of Northridge, shall serve as the General Manager of the consolidated district under an employment agreement assumed by the consolidated district.
 - f. As of the effective date of the consolidation, all of the respective employees of Arcade and Northridge shall become employees of the consolidated district. To the extent practical, every attempt will be made to maintain such employees in the same or similar positions of authority and responsibility with the consolidated district. The compensation, benefits and other terms and conditions of employment of all of the respective employees of Arcade and Northridge shall not be reduced by virtue of their becoming employees of the consolidated district. These provisions shall not limit the authority of the General Manager of the consolidated district to exercise his discretion with respect to rights of assignment,

transfer, discipline and discharge of employees in accordance with the County Water District Law and other provisions of law.

- g. As of the effective date of the consolidation, the current employees of Arcade shall continue to be covered by the Arcade defined contribution retirement program if they so elect, and the current employees of Northridge shall continue to be covered by the Northridge CalPERS retirement program. Thereafter, non-electing Arcade employees and all newly-hired employees of the consolidated district shall be covered by the CalPERS retirement program.
 - h. In accordance with the provisions of Water Code section 30500.1 and subsection (n) of Government Code 56886, the composition and election of the Board of Directors of the consolidated district shall be as follows:
 - (1) The initial Board of Directors of the consolidated district shall consist of eleven members, composed of the existing five members of the Board of Directors of Arcade and the existing five members of the Board of Directors of Northridge, each of whom shall serve the same term of office that he was serving as of the effective date of the consolidation. The eleventh seat on the Board of Directors of the consolidated district will be vacant. The Board of Directors of Arcade and Northridge have recommended that the Board of the consolidated district vote to eliminate the eleventh seat on the Board. Directors of the consolidated district shall be elected by and from divisions, as set forth below.
 - (2) The number of seats on the Board of Directors shall be reduced to seven for the general district election of the consolidated district to be held in November 2002.
 - (3) The Board of Directors of the consolidated district shall be elected by and from divisions within the consolidated district at the general district election in 2002, provided that, in the event that there is a delay in the effective date of the consolidation that prevents the Board of Directors of the consolidated District from establishing the boundaries of divisions in time to provide the notice required by Elections Code section 10522 (125 days prior to the general district election), then the Board of Directors shall be elected at large in 2002, and by and from divisions at the general district election in 2004.
 - i. The consolidated district shall continue to provide any health benefits to current and retired members of the respective Board of Directors of Arcade and Northridge that were provided prior to the effective date of consolidation, in accordance with the provisions of Government Code section 53201.
- 2. The name of the consolidated water districts shall be "Sacramento Suburban Water District."

3. The Sphere of Influence for Sacramento Suburban Water District will be conterminous with the exterior boundaries of the Spheres of Influence of the Northridge Water District and the Arcade Water District. The Northridge Water District's and the Arcade Water District's Spheres of Influence will be combined into one Sphere of Influence for the Sacramento Suburban Water District. The Sphere of Influence will not extend beyond existing district boundaries.
4. The consolidation of the Northridge Water District and the Arcade Water District improves the efficiencies of the districts and eliminates overlap and duplication of administrative and governance costs.


On a motion by Commissioner Lauren Hammond, seconded by Commissioner William Porter, the foregoing Resolution was passed and adopted by the SACRAMENTO LOCAL AGENCY FORMATION COMMISSION, State of California, this 17th day of January, 2002, by the following vote to-wit:

AYES: *Elliot Hulberg, William Porter, Roberta MacGlashan, Ila Collin, Muriel Johnson, Lauren Hammond, Christopher Tooker.*

NOES: -0-

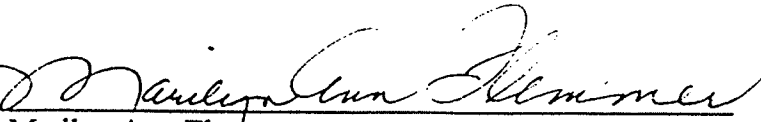
ABSTAIN: -0-

ABSENT: -0-



Christopher Tooker, Chair
SACRAMENTO LOCAL AGENCY FORMATION
COMMISSION

ATTEST:



Marilyn Ann Flemmer
Commission Clerk